

Revised Terms of Reference for Audit and Standards Committee

#### B.6.1 AUDIT AND STANDARDS COMMITTEE

The purpose of the ~~Governance and~~ Audit and Standards Committee is to provide independent assurance of the adequacy of the risk management framework and the associated internal control environment, independent scrutiny of the Council's financial and non-financial performance to the extent that it affects the Council's exposure to risk and weakens the control environment, and to oversee the financial reporting process.

The Audit and Standards Committee will discharge the functions conferred by Part III of the Local Government Act 2000 (as amended by the Localism Act 2011), and such other of the authority's functions as it sees fit, and in accordance with the provisions of, or regulations made under, Part III of the Local Government act 2000 or the Localism Act 2011.

#### B.6.2 Membership and Procedure

##### a. Appointment

The ~~Governance and~~ Audit and Standards Committee will consist of 7 elected members of the Council who are not also members of the Executive Committee appointed in accordance with the proportionality rules of the Local Government and Housing Act 1989.

##### b. Chairman

The Chairman (and Vice Chairman if desired of) of the Committee will be chosen from the 7 District Council elected members of the Committee.

##### c. Quorum

Except where authorised by statute or ordered by the Council business shall not be transacted as a meeting of the Committee unless at least 3 members of the Committee are present.

##### d. Access to Information

The Audit and Standards Committee shall act in accordance with the Access to Information Procedure Rules set out in Part 4(2) of this Constitution, and where those \rules refer to the authority giving to the public or making available for public inspection:

- i) notice of a meeting;
- ii) the agenda of a meeting
- iii) reports relating to items when the meeting was or is to be open to the public;
- and
- iv) minutes or summaries of proceedings

the authority will provide to every parish Council for it is responsible copies of the same ( upon request)

#### B.6.3 Functions

The ~~Governance and~~ Audit and Standards Committee will exercise the following functions :

- a) Considering the effectiveness of the Council's risk management arrangements, the Council's overall control environment and its specific anti-fraud and anti-corruption arrangements;

b) Considering the reports of external audit and other inspection agencies and seeking assurance that action is taken on the issues raised in those reports with particular emphasis on actions relating to the overall control environment, risk and anti-fraud and anti-corruption arrangements ;

c) Reviewing summary internal audit reports and the main issues arising and seeking assurance of actions taken on the issues raised in these reports.

- d) Approving internal audit's strategy plan and performance (although the Committee would not have the authority to direct internal audit);
- e) Ensuring that there are effective arrangements between internal and external audit (and other inspection agencies) and that the value of the audit process is actively promoted;
- f) Ensuring that the Council's Governance Statement and other assurance statements required of the Council properly reflect the risk environment and any actions required to improve it.
- g) Receive the annual report of the Head of Internal Audit.
- h) Review the financial statements, external auditor's opinion and reports to members and monitor management action in response to the issues raised by external audit.

i) Review and adopt the Annual Governance Statement

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- j) promote and maintain high standards of conduct by Councillors and co-opted members
- k) assisting the Councillors and co-opted members to observe the Members' Code of Conduct(s)
- l) advising the Council on the adoption or revision of the Members' Code of Conduct and monitor its operation
- m) advising, training or arranging for the training of Councillors and co opted members on matters relating to interests set out in the members Code of Conduct
- n) to determine complaints against District Councillors and Town and Parish Councillors of alleged failure to comply with the Council(s) Code of Conduct (s) accordance with the arrangements in place from time to time as adopted by the Council
- o) to deal with any reports from the Monitoring Officer or Deputy Monitoring Officer in connection with a complaint relating to a breach of the Council(s) Code of Conduct(s).
- p) overview of the public interest disclosure (whistle-blowing) protocol;
- q) process of complaints handling and Local Government Ombudsman investigations;
- r) oversight of the Constitution; and
- s) recommending changes to procedures, or the Codes, or any other part of the Constitution in respect of probity issues considered required in the light of:
- t) experience on any matters arising from investigations by the Local Government Ombudsman where maladministration is found; and
- u) matters referred to the Committee by the Council or the Executive.

Standards Sub Committee

The Audit and Standards Committee has established a sub committee ("The Standards sub Committee") to exercise functions n) and o) set out in B6.3 above.

Form and Composition

The Standards Sub Committee shall comprise of five members of the Audit and Standards Committee, appointed in accordance with the proportionality rules of the Local Government and Housing Act 1989; and

Three members of Town or Parish Councils wholly or mainly in the Council's area (the "parish Members") who may not also be District Councillors

#### Parish Members

a) The Parish Members will be selected in accordance with the following process:

i) the Monitoring Officer, in consultation with the Committee Chairman, will draw up a person specification and nomination form for the appointment of Parish Members of the Standards Sub Committee from the date of appointment until the date of the following Town and Parish Council elections;

ii) each Town and Parish Council for which Harborough District Council is the responsible authority, will be invited to nominate one of their number to become a Parish Member in accordance with the above; and

iii) The Monitoring Officer, in consultation with the Committee Chairman, and with advice from the South Leicestershire branch of the Leicestershire and Rutland Association of Parish Councils, will select the Parish Members of the Standards Sub Committee.

Each parish member will hold office until:

i) they resign from office

ii) they are no longer a parish Councillor;

iii) they are elected as a Councillor of a principal authority; or

iv) upon appointment of the succeeding parish members as a consequence of the selection process set out in paragraph above, which shall take place at the earliest opportunity following general Town and Parish Council elections across the District.

The Parish members will not be entitled to vote at meetings of the Standards Sub Committee

#### Proceedings of the Standards Sub Committee

The Standards Sub Committee will conduct its proceedings in accordance with the Council Procedures Rules set out in Part 4(1) and the Access to Information Rules set out in part 4(2) of this Constitution as well as the procedure rules set out in the arrangements for dealing with complaints as adopted by the Council.

#### Chairing of the Committee

Members shall decide who shall preside at the meeting. All members of the Committee are eligible to hold this position.

#### Quorum

The quorum shall be three District Councillors, provided that when complaints relating to Town or Parish Councillors one Parish Member also is present.